



**MEDICAL CARE POLICY ADMINISTRATION
DEPARTMENT OF HEALTH AND MENTAL HYGIENE**

201 WEST PRESTON STREET • BALTIMORE, MARYLAND 21201

Parris N. Glendening
Governor

October 16, 1998

Martin P. Wasserman, M.D., J.D.
Secretary

**MARYLAND MEDICAL ASSISTANCE PROGRAM
Pharmacy Transmittal No. 159**

TO: Pharmacies
Managed Care Organizations

FROM: Joseph M. Millstone, Director *JM*
Medical Care Policy Administration

NOTE: Please ensure that appropriate staff members in your organization are informed of the contents of this transmittal.

RE: Elimination of Copay for Waiver-eligible Recipients on Carve-out Drugs
Change in Estimated Acquisition Cost of Drugs
Pharmacy Professional Fee for Nursing Home Prescriptions
Faxed Prescriptions

ACTION:
Proposed Regulations (Permanent Status)

EFFECTIVE DATE: October 19, 1998

COMMENT PERIOD EXPIRED:
August 31, 1998

PROGRAM CONTACT PERSON:
Frank Tetkoski (410) 767-1455
Division of Medical Services

In Pharmacy Transmittal No. 158, dated August 20, 1998, the Secretary of Health and Mental Hygiene proposed amendments to Regulations .01 Definitions, .05 Limitations and .07 Payment Procedures under COMAR 10.09.03 Pharmacy Services.

In July of 1997, recipients began to receive services from managed care organizations (MCOs) operating under the HealthChoice Program. The MCOs are responsible for most prescriptions but Specialty Mental Health prescriptions and prescriptions for certain drugs used to treat the AIDS virus are carved-out of managed care and paid directly as fee-for-service by the Medicaid Program. Under current regulations, fee-for-service prescriptions require a copay. Managed Care regulations prohibit a copay on prescriptions covered by the MCO. Therefore, for

recipients in managed care a copay is due on some prescriptions but not on others. These amendments eliminate this difference by eliminating the copay on the carve-out drugs for waiver-eligible recipients.

These amendments also revise the method used by the Program to calculate the estimated acquisition cost (EAC) used to reimburse pharmacy providers for the drug portion of prescriptions, increase the dispensing fee on prescriptions dispensed to recipients in nursing homes, establish certain billing requirements for nursing home prescriptions, and allow faxed prescriptions.

These amendments have been adopted as proposed.

JMM/